

# FISCAL NOTE

**Bill #:** SB0166

**Title:** Revise responsibility for handling  
abandoned vehicles -- vehicle disposal.

**Primary**

**Sponsor:** J. D. Lynch

**Status:** As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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## Fiscal Summary

	<b><u>FY2000 Difference</u></b>	<b><u>FY2001 Difference</u></b>
<b>Expenditures:</b>		
State Special Revenue	207,822	205,022
<b>Revenue:</b>		
State Special Revenue	25,680	25,680
<b>Net Impact on General Fund Balance:</b>	<b>0</b>	<b>0</b>

<b><u>Yes</u></b>	<b><u>No</u></b>		<b><u>Yes</u></b>	<b><u>No</u></b>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

## Fiscal Analysis

### ASSUMPTIONS:

1. Abandoned vehicles not currently managed under the junk vehicle program would be eligible for inclusion in the program. This would result in expanding the scope and total expenses of the program.
2. No new sources of funding would become available to the program.
3. All abandoned vehicles would be hauled at current statewide average junk vehicle program hauling cost of \$70.00 per unit by private industry.
4. The current scrap metal market will follow industry forecasts and will remain depressed for an additional two to three years.

5. Revenue generated from scrap metal recycling is estimated at approximately \$17.20 per vehicle (1493 vehicles x \$17.20 = \$25,680)
6. Approximately 0.0035% of vehicles registered in Montana are abandoned by their owners, amounting to approximately 2,985 vehicles per year. Roughly 50% (1493) vehicles will enter the recycling program at a net cost to the program of \$100 per unit, hauling at \$70.00 plus \$30.00 in storage and preparation charges. (1493 x \$100 = \$149,300)
7. Private industry will recover hauling costs from the program for another 20% of these vehicles that are hauled but retained by the hauler. (1493 X 20% = 597 vehicles @ \$70.00 per vehicle = \$41,790)
8. Approximately 30% of the abandoned vehicles will be reclaimed by their owners. When reclaimed, the owner will be responsible for reimbursement of costs and charges to the hauler.
9. Additional program support, 0.25 FTE grade 13, will be needed to manage the paperwork and tracking associated with reimbursing the hauling charges and related program administration. Personal services of \$5,836 plus a fringe benefit rate of 30%, (\$1,751) make a total personal services budget of \$7,587. Operating costs of \$4,600 were included for the FTE in each year, a computer equipment cost of \$2,800 was included in the first year of the biennium and a 23% indirect rate was applied against the personal services which is \$1,745 in each year of the biennium.

FISCAL IMPACT:

	<u>FY2000</u> <u>Difference</u>	<u>FY2001</u> <u>Difference</u>
FTE	0.25	0.25

Expenditures:

Personal Services	\$ 7,587	\$ 7,587
Operating Expenses	<u>200,235</u>	<u>197,435</u>
TOTAL	\$207,822	\$205,022

Funding:

State Special Revenue (02)	\$207,822	\$205,022
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Revenues:

State Special Revenue (02)	\$25,680	\$25,680
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Net Impact to Fund Balance (Revenue minus Expenditure):

State Special Revenue (02)	\$(182,142)	\$(179,342)
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LONG-RANGE IMPACTS:

The fund balance will be reduced over time and a fee increase may be needed by 2003 biennium. This could raise CI-75 issues.